

UNITED STATES PATENT AND TRADEMARK OFFICE

Statement of the Bar Association of the District of Columbia Patent, Trademark and Copyright Section

concerning

Changes to the Practice for Handling Patent Applications

Filed Without the Appropriate Fees

70 Fed. Reg. 9570, February 28, 2005

The Bar Association of the District of Columbia ("BADC"), Patent, Trademark & Copyright Section ("PTC Section") presents the following testimony to the United States Patent and Trademark Office ("PTO") in connection with Changes to the Practice for Handling Patent Applications Filed Without the Appropriate Fees ("Proposed Rules Changes"), 70 Fed. Reg. 9570, February 28, 2005.

The PTC Section of the BADC is one of the senior intellectual property bar associations in the United States uniquely situated in the nation's capital having a broad cross-section of members from government, industry and private practice, with some members specializing in patents, trademarks and copyrights who are involved primarily in their procurement, some entirely in litigation and

The BAR Association of the District of Columbia

1225 19th Street, NW, Suite 800
Washington, DC 20036-2489 USA

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lc@badc.org

202-223-6600
fax 202-293-3588
www.badc.org

counseling, some with a mixed practice and others who may participate in patent, trademark and copyright procurement issues by advising others on strategy. Since members frequently represent applicants for patent matters before the PTO, they are thus interested in the Proposed Rules Changes. The interest of the PTC Section of the BADC is entirely pro bono. The views expressed herein only represent those of the PTC Section of the BADC, and not those of the BADC or of its Board of Governors, nor those of any client or colleague affiliated with any of the individuals who are members of the PTC Section of the BADC.

The Consolidated Appropriations Act of 2005 split the patent application filing fees into a basic filing fee (for a utility application, currently \$300 for a large entity and \$150 for a small entity), a search fee (for a utility application, currently \$500 for a large entity and \$250 for a small entity), and an examination fee (for a utility application, currently \$200 for a large entity and \$100 for a small entity). The Proposed Rules Changes, if adopted, would **require** a patent applicant to pay the basic filing fee in order for the PTO to retain the application and thus permit benefit of the application to be claimed under 35 U.S.C. § 120 and 37 C.F.R. § 1.78 in a subsequent nonprovisional or international application. Since the basic filing fee would be required for the PTO to retain the application, the proposed Rules Changes, if adopted, would also eliminate the processing and retention fee practice.

Under current practice, for the PTO to retain the application and therefore permit benefit of the application to be claimed under 35 U.S.C. § 120 and 37 C.F.R. § 1.78 in a subsequent nonprovisional or international application, a patent applicant must pay the filing fee (and a surcharge, which is currently \$130 for a large entity and \$65 for a small entity, if the filing fee is filed on a date later than the filing date) **or** the processing and retention fee set forth in 37 C.F.R. § 1.21(l) (which is currently \$130) prior to abandonment of the application.

Since the Proposed Rules Changes will, if adopted, require the basic filing fee and do away with the less expensive processing and retention fee practice in order for the PTO to retain the application, the Proposed

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Rules Changes is in reality an increase in fees for accomplishing the same outcome (*i.e.*, retention of the application) which is available under current practice at a lesser cost.

The notice of proposed rulemaking specifically states that "[t]his notice does not propose any change to the amount of fees charged by the Office." 70 Fed. Reg. 9570, 9572 (Feb. 28, 2005). However, since the Proposed Rules Changes are in essence a fee increase, the Proposed Rules Changes do not merely involve "interpretive rules, or rules of agency practice and procedure under 5 U.S.C. [§] 553(b)(A)." *Id.* The PTC Section of the BADC comments at this time because they believe that increasing fees through "interpretative" rulemaking raises policy implications that should be considered more broadly and not instituted as "interpretative" rulemaking.

The PTC Section of the BADC thanks the PTO for their consideration of this statement.

Respectfully submitted,

/s/

Susan M. Dadio
CHAIR - PATENT, TRADEMARK &
COPYRIGHT SECTION, BAR ASSOCIATION
OF THE DISTRICT OF COLUMBIA

Dianoosh Salehi
PTO RULES COMMITTEE CHAIR – PATENT,
TRADEMARK & COPYRIGHT SECTION,
BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA

1225 19th Street, N.W., Suite 800
Washington, DC 20036
(202) 223-6600

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